



# U.S.-PANAMA TRADE PROMOTION AGREEMENT

## Hawaii Farmers Will Benefit

September 2011

The U.S. agricultural sector has a great deal to gain from the pending U.S.-Panama Trade Promotion Agreement, known as the Panama TPA. The agreement will immediately eliminate duties on nearly 50 percent of current U.S. exports and gives U.S. exporters improved access to the Panamanian market for many products that have been highly protected. U.S. agricultural exports to Panama in 2010 exceeded \$450 million.

The Panama TPA agreement eliminates tariffs and other barriers on most agricultural products, increasing export opportunities for a range of Hawaii's agricultural products, including fruits, tree nuts, and coffee. Hawaii's agricultural exports to all countries, estimated at \$190 million in 2010, supported about 1,600 jobs, on and off the farm. These export sales make an important contribution to the Hawaii farm economy, which had total cash receipts of \$631 million in 2010.

### Greenhouse and Nursery Products

- Panama will eliminate its 15 percent tariff on nursery products upon implementation of the Panama TPA. All other greenhouse and nursery products that currently receive duty-free treatment will continue to be duty-free.

### Fruits and Fruit Products, and Tree Nuts

- Panama will immediately eliminate its tariffs on nearly all fresh and processed fruits and fruit products, including papaya. The 15-percent tariff on pineapples will be eliminated over 5 years.
- The 10-percent tariffs on most dried fruits will be eliminated in 5 years, and the 15-percent tariffs on many single strength fruit juices and juice mixtures will be phased out over 5 to 15 years.
- Panama will immediately eliminate its tariffs on all shelled and roasted nuts, including macadamias.
- Panama will immediately eliminate its tariffs on most in-shell nuts, but the tariff on in-shell nut mixtures will be phased out in 5 years. These tariffs currently range from 5 to 10 percent.

Hawaii		
Principal Agricultural Products and Exports, 2010		
Product	Cash Receipts (2010 calendar year)	Exports (2010 fiscal year)
<b>Total</b>	<b>\$631 million</b>	<b>\$190 million</b>
Greenhouse and Nursery Products	\$76 million	\$2 million
Fruit, Fruit Products, and Tree Nuts	\$55 million	\$148 million
	Source: USDA-NASS	Source: USDA-ERS

*For questions about the U.S.-Panama Trade Promotion Agreement and its impact on U.S. agriculture, please contact FAS Public Affairs at (202) 720-7115 or [LPA@fas.usda.gov](mailto:LPA@fas.usda.gov).*